

Hamakua Coast – Agriculture in Transition

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In 1975 I bought a macadamia nut orchard, and ever since I have been involved in diversified agriculture. Earlier this year a number of farmers and ranchers got together in Honokaa and formed the Honokaa Farmers Coop. The idea was to get the small farmers together and help diversified agriculture.

If you consider the recent changes in the area from Wailuku river to Waipio valley, it is obvious that East Hawaii is in a major transition. The year 2000 is about six years away, and the changes that are going to occur by that time in that 50 miles of Big Island coast are going to be as extreme as what happened a hundred years ago. We are in for a once-in-a-century change.

There is an old saying that beginnings are delicate times, and with the pace of our modern world, that statement is even more valid. It is very easy to kill a seed, and it is easy to destroy a seedling, and it is very difficult to establish and maintain all the elements necessary for the health, security, and the nurturing environment that is necessary to develop a new crop. We are thinking about this in East Hawaii; we are thinking of a brand new crop, whatever it may be. East Hawaii has all of the elements for a successful transition to a strong diversified agriculture. We have a good labor force that is experienced and hard working. We have management skills. We have soil, sun, and rainfall, and we feel we have markets that (I think you may agree) are just waiting to be opened up and developed. But before I make it sound too easy, let me acknowledge that this is a room full of farmers, and I know that *you* know that there is nothing easy about farming.

First a farmer has to look at the potential market. Then, hopefully, he or she can find some affordable land, open it up, pick the right variety, and diligently cultivate, herbicide, and fertilize. *If* there is no drought, *if* there is no flood, *if* there is no major wind storm or no new disease, the farmer can harvest the crop, take it to market, and hope that the market price has not changed and that the price will be enough to make a profit.

Fortunately our farmers have some allies, and we really need them now. Sugar had a hundred years to create the beneficial business climate that helped with taxes, zoning, infrastructure, and

markets. It had time to adjust to its needs and to its growth. Diversified agriculture has operated under somewhat similar conditions for the past fifty years. We have had homestead land and other marginal agricultural lands that slowly expanded, and the potential for diversified agriculture moved along with that expansion, and consequently our markets grew in a somewhat orderly manner. But now diversified agriculture has access to tens of thousands of acres of prime agriculture land, and we have little or no market. We have little or no in-field or social infrastructure designed for those crops, and we do not really have a business environment that is designed for diversified agriculture's benefit or, for example, for the papaya industry's benefit. Everything has been geared for sugar for 100 years.

This evolution from large corporate plantations to smaller diversified farms is a classic reflection of the change going on in America's business world. The stock declines and employee layoffs in giants like IBM exemplify old big business that is not able to move quickly within the international market place of the 1990s. But East Hawaii does not have much time to make all the changes necessary to fit into this new world. Our sugar workers have only months before the final harvest is over or their unemployment check ends. Our communities have only a short time to save and keep in the community those people that know every square inch of the area, know how to keep the equipment running, the machinery going. These are our assets that we are all working really hard to keep employed and in our communities.

I want to point out that we do have help from our local, state, and federal governments. First, thanks to our councilman Taka Domingo, we have under consideration a new agriculture park zone designation. This is a way that large land owners can develop their properties under ag-park zoning, and they do not have to build the infrastructure that usually must be built for urban developments. This is a way that land owners can develop and fit farmers' needs as opposed to urbanites' needs. Hopefully that will make it affordable, so that we can have affordable lands to move into and start farming.

The county has also been working on a new tax

code for agriculture. That effort has been going on for almost eight months, and the final report is at the county council. They are working on the final draft, and hopefully this will alleviate our tax burdens. It is designed for people that are serious about agriculture, as opposed to those who want to have a house and a horse on the property to get the ag zoning tax break. This is going to be a tax law that is designed for farmers.

On the state level, we have a lot of friends. Because I live in Hamakua, I have seen Representative Dwight Takamine work very hard to do many things for agriculture. This involves everything from legislation that strengthens the penalty for agriculture theft to a felony, to help in including East Hawaii in the Hawaii Community Development Authority's \$1 million system to cut through red tape and empower potential employers to do business in this area. Rep. Takamine, Senator Solomon, and other Big Island legislators pushed a number of helpful packages for Hamakua and North Hilo, including \$100,000 for the Hamakua Housing Corporation to plan the change in camp ownership, which is very necessary for a number of our people that live in the camps, and \$140,000 for a medical center to at least maintain the existing medical center while the new hospital comes in next year. Also, the Department of Land and Natural Resources is the expending agent for \$100,000 in 93-94 for a forest products initiative, and another \$100,000 in 94-95. I think it is valid to claim forest crops as a new diversified agriculture activity.

On the federal level we also have a lot of support. In particular, Senator Inouye has paid a lot of attention to our needs and tried to help out wherever he could. You can start with the \$600,000 that the Department of Labor is using to help retrain people who have been made unemployed or put out of business through the closure of the plantations. They are doing things like home health aid training, and training people to work on golf courses. There is also \$1.3 million for each of the next three years coming from HUD in response to the EPA saying that the two plantations need to fix up their settling ponds. So instead of imposing big fines that would get us in even deeper trouble, the federal government is saying that they will work with us to solve this problem. Because both plantations are suddenly going out of business and no longer need the settling ponds or the money to fix them, Senator Inouye was able to negotiate so that we can use this money in a positive way to help these

communities. That money is being designated for a number of things, including medical assistance for people that are no longer a part of medical plans, some housing issues, and a number of other projects.

There is also the million dollars from the Department of Defense for developing agricultural products in East Hawaii that could have applications for our military, and civilian populations as well. Some of the research projects that are under consideration include grass-finished beef, wetland taro grown on sugar land, medicinal products, and one project that is designed around your industry. Dennis Maeda has been involved in that project, a study to evaluate the feasibility of growing papaya on soils in East Hamakua, which has never been done commercially. Part of that proposal is developing and expanding markets, essentially targeting the military, and we hope to be able to bring in some civilian applications as well.

One thing about this Department of Defense funding is that although we are spending a lot of time going after markets, we and Dennis Tere-nishi, who is running the project, understand the importance of not putting farmers out of business once we learn how to grow a new crop somewhere else. First we go after the market, and we make sure that there is a way to expand it before we start putting more farmers on the land. One interesting thing about this DOD grant is that Senator Inouye, when he was here last month, said that he has appropriated another \$4 million that can be used for this kind of initiative if we spend the \$1 million wisely, so there is a lot of reason to do a good job with the existing money.

These are some of the governmental happenings. On the farm front, I called John Cross at Mauna Kea Agribusiness to make sure I was aware of what they are doing on their part of the coast. He said there is a lot of excitement and a lot of interest in agriculture. They have over 1,400 acres of their ex-sugar land licensed out to various farmers. Over 100 farmers are involved, with large to small farms diversified in everything from ginger and taro to pasture. They are also involved in the Department of Defense papaya grant and are going to be putting five acres in papaya so that we cover some distance, some here and some down the coast in Honokaa area. One of the most exciting things for them is their eucalyptus forestry products. They put that on a fast track, because everything looks positive. They have the results back on their medium-density fiber board, which

looks very promising, and consequently they are considering planting over 10,000 acres in eucalyptus forest.

Also on the Brewer properties is the 900-acre diversified agriculture park. It is very much in consideration, it is in development, and it involves the Chin Chuck, Ninole, and Wailea areas. The properties run mauka-makai, covering varieties of elevations and soils, and they hope to match that up with this new ag park county zoning. They are working on that and they feel they will have plenty of farmers to start filling it out.

Moving up the coast to Hamakua, I should first say that we are no longer the Honokaa Farmers Cooperative. The last meeting was Monday night, and we had tremendous interest. Many people came down from this side saying, "Hey, I work for Brewer but we are getting out of business too. What is the deal? Why Hamakua and why not us?" We said that it was not an exclusive organization; we had seen a need, and a bunch of farmers and ranchers had gotten together and said "Lets do it; this is the way to deal with that." Consequently, we changed the name to North Hilo/Hamakua Agriculture Cooperative. It is a lot longer and harder to say, but it includes the people that want to be included, and we are happy to have them. The initial motivation for this cooperative was the inability to acquire land, because most of parcels in Hamakua and North Hilo are 300-500 acres or more, which none of the small farmers could realistically afford, so we figured that we would cooperatively acquire the land and subdivide it, at least within our cooperative, in a way that would be beneficial to everyone.

Also, Mike Nagao, the Cooperative Extension Service administrator for the Big Island, immediately came to me and said he was pleased that this cooperative is here and that it was a good avenue for Extension to get information out to more farmers. So the coop is a way to acquire land and to help inform farmers. We have farmers

experienced in everything from dendrobium and anthuriums to mac nuts, taro, and papaya. It is a way that experienced farmers and new farmers can work hand in hand.

We will require some things. We have a committee whose job is to make sure that anyone who wants some land from the cooperative has to do a business plan and demonstrate an understanding of the market. We will do training to help people do this. We do not want to quash a market or get a farmer started where he is bound to fail. We are working hard to ensure that we create successful farmers. We have signed up in our survey over 1,500 acres that our members or potential members are interested in. There is a lot of interest in farming and a lot of interest in this land.

One of the things working with the cooperative has shown me is that we are all in this together. You may be a group of papaya farmers, but all of you know farmers that farm other things. All of you have been around other crops, and you drive by them every day. We are definitely all in this together.

Right now the livestock industry is having a hard time because new federal regulations are affecting the operation of the slaughter house; they are really concerned, and they have to worry. Well, I am involved with sustainable agriculture, and part of that is integrating livestock and farming operations. If we don't have a healthy livestock industry, that makes the whole situation more difficult. You papaya growers are having problems with ringspot virus. That is an issue on which you should be getting support from the whole agriculture community, because that needs to be addressed and solved. If we all work together, I think we can proudly ring in the year 2000 having shown the whole state how important diversified agriculture is to Hawaii now and for the future.